

**Federal agencies will allocate these funds in five primary ways:**

***By Formula.*** Certain funds in the Act are allocated by a formula – usually set in law -- to States and localities. Examples include:

***By Competition.*** Other programs allocate funding through competitive solicitations. In the coming weeks, agencies will distribute requests for proposals and convene panels to evaluate applications. Examples of agencies and programs that have or will hold such competitions include:

***By Demand.*** Some programs respond directly to demand from eligible individuals, including:

***By One-Time Automatic Disbursement.*** The Recovery act includes some one time benefits, such as payments of \$250 to Social Security, Veterans and Supplemental Security Income beneficiaries.

**By Agency Plan.** Many programs in the Act allocate funding according to public operating and spending plans. These programs include:

**For the tax cuts:** Many of the tax provisions in the Act will quickly take effect providing relief to taxpayers and businesses across the country.

Through [recovery.gov](http://recovery.gov), the public will be able to track spending from the Act. Current estimates are that three-fourths of the spending and tax cuts will occur within 18 months of enactment.